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S P E E C H

OF THE

HON. GEORGE BROWN

IN THE

CANADIAN SENATE, MARCH 21, 1878,

ON

The Public Finances of the Dominion.

THE FINANCIAL TRANSACTIONS

OF THE

MACKENZIE AND MACDONALD GOVERNMENTS CONTRASTED.

SENATOR MACPHERSON'S PAMPHLETS.

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1878.

MR. BROWN'S SPEECH

ON

THE FINANCES OF CANADA.

OTTAWA, 21st March, 1878.

The order of the day having been called for resuming the debate on Mr. Macpherson's notice, "That he will call attention to the public expenditure of the Dominion, especially that portion of it which is largely within the control of the Administration, and will inquire of the Government how it is proposed to restore the equilibrium between income and expenditure."

HON. GEORGE BROWN said :—I rise to make a few observations on the subject that has been brought under our notice by the Hon. Senator opposite (Mr. Macpherson), and which was under discussion when we adjourned last night. But, before proceeding to do so, I trust the Senate will bear with me for a moment while I say a few words in regard to the form in which this matter has been presented to us by the hon. Senator, and the peculiar character of the debate which has arisen from it. The notice given by the hon. gentleman was of a definite question to be put to the Secretary of State. Now, as the rules of the Senate do not debar discussion on putting a question to the Government, of which notice has been formally given, I take no exception to discussion having been raised now. I think our rules should be amended on this point, but this is not the time to consider that. But what I do desire to call the special attention of the Senate to is the inconvenient and unjust use that has been made of this laxity of order on the present occasion. Under cover of this notice of a question that might have been put and answered in two minutes, the hon. gentleman rises to discharge a furious philippic against the Administration ; rambles over the entire field of party politics ; drags in every conceivable or inconceivable matter that he supposes will serve his purpose of detraction ; indulges in errors and misstatements without end ; and fulminates wild charges of waste and extravagance that have been again and again shown to be utterly groundless. Nay, the hon. gentleman ventured to go still farther

than this—he ventured to insinuate, without name, place, or date being given, what he must have known amounted to a charge of fraud on the part of the Administration—

MR. MACPHERSON—In what instance did I do that?

MR. BROWN—The hon. gentleman did it more than once. When referring to the deficit on the Receipts and Expenditures of 1877, he tried to cast abroad the insinuation that the Public Accounts were not truly made up or the deficit would have been greater. He said that he had been told by somebody or other that accounts were purposely kept back, so as to force a balance and lessen the deficit of the year. He deplored the unreliability of Committees of the House of Commons, and hinted at a Royal Commission as the only mode of getting at the facts. And this outrageous insinuation he accompanied with the intimation that he could not vouch for the truth of the story he had been uttering, and would not be held responsible for it. In all my knowledge of Parliamentary discussion I have never known so grave a charge preferred against the Government of the day, without fact or probability to sustain it, and with so mean a loophole of escape from responsibility coolly attached to it. And the hon. gentleman in his statement was as reckless of the interests of his country as he was unjust to the Government. I am confident I am within bounds when I say that a hundred charges of greater or less magnitude were discharged or insinuated by the hon. gentleman against the Administration—one or two of them probably based on facts as to which difference of opinion might honestly exist, but the great mass of them utterly baseless. For example, only think of the hon. gentleman bitterly assailing the Administration because, as he alleged, every immigrant who arrived in 1875-6 cost the country \$26 65, when in fact it was but \$8 85 in that year, and \$4 08 in 1876-7.

MR. MACPHERSON—My statement was strictly correct, and I shall prove it.

MR. BROWN—The hon. gentleman may strive to escape by a play upon words—by pleading that he only meant the immigrants arriving at Quebec—but this plea cannot be entertained. He well knew that 25,633 immigrants arrived at all points in the Dominion in 1875-6, and what excuse can he pretend for placing the whole cost of this large number on the 7,063 of them who arrived *via* Quebec, and representing the average cost *per capita* thus obtained as the average of the whole number? I heard distinctly that the hon. gentleman said—we all heard it—and I defy him to find one person who heard him, or one person who has read his pamphlet, who did not understand his charge to be that every immigrant coming into the country in 1875-6 had taken \$26.65 from the public chest. Now, then, I ask the Senate, if it is reasonable, if it is just, if it is for the public benefit, that the members of the Government for the time being in this House, and indeed the whole of us—for we are all interested in repelling unjust accusations against the Government of our country—should be expected to rise at the moment and refute on the spot such a precious conglomeration as this, at the risk of piling blunder upon blunder and confusing the public

mind? We have been discussing this matter for a number of days—and with so boundless a field to range over, we may go on discussing for a month without getting nearer a solution than we are to-day. I can understand how the discussion of two, or even three, points of public policy may be conducted together profitably in this Chamber—but I cannot, I confess, comprehend how a hundred points of detail that have never before been discussed here, either openly or in Committee, can be usefully considered together in open debate across the floor. The British parliamentary system wisely provides that the control of the details of money Bills—that the power which makes and unmakes Ministries—shall rest with the popular branch of the Legislature. It does not admit of two Chambers equally powerful and possibly discordant with each other. Two separate bodies cannot speak the well understood wishes of the people, unless they happen to be in harmony. The power of the purse-strings is, therefore, most wisely lodged with the representatives of the people. We are not elected by popular vote; we are appointed by the Crown on the nomination of the Dominion Government of the day; we are appointed for life; we cannot be removed except for cause; our numbers cannot be increased except with our consent;—practically we are directly responsible for our acts as legislators to our own consciences only. I ask the Senate then, if this Chamber is a fitting theatre for such wholesale railing discussions as the present? The Lower House has all the appliances for rigid examination into the details of money expenditures—but we have not. Every shilling of public expenditure must be authorized before the money is paid—and for criticizing the Estimates closely and wisely the Commons have ample facilities that we do not possess. The Minister of Finance sits in the Lower House; he is practically conversant with every transaction of the year; he opens the Budget; he frames and proposes all changes of tariff or taxation; he discloses the financial policy of the Government; and he stands prepared to defend at any moment every feature of that policy. Then come the Committees of Ways and Means and of Supply, in which the estimates of the year and all proposals of revenue changes are overhauled critically and severely for many days in succession, and questions are put and answered on the moment on every doubtful point with a degree of freedom and plain speech that could hardly be surpassed. And then, again, at the opening of the following session the Public Accounts Committee is hard at work comparing the sums granted with the sums spent, narrowly criticizing every item, and gathering full information on every point for the coming debate on the Supply Bill. I ask the Senate if it is convenient that we should set up here rival Finance Ministers and Finance Committees to control the action of the popular branch on such matters? I ask if it is not wandering beyond our province?—if it will add either to the usefulness or the dignity of this House? If I am rightly informed, this reckless raid into the territory of our neighbours is the first thing of the kind that has happened for many years; and I respectfully submit for the consideration of the Senate whether it ought not to be the last. With these remarks I return to the bill of complaint of the hon. gentleman opposite. The hon. gentleman is full of complaints and lamentations. He don't like the present Ministry; he has no faith in Committees of the Commons;

he has no faith in the Public Accounts ; he has no faith in anybody or anything. The whole world is agree with him. Why, he actually started his speech the other evening with a wail of lamentation that his speeches and pamphlets had not been answered by anyone—had not been touched. Now, though I was not fortunate enough to be present last session when the hon. gentleman began his attack, I read the speeches of my hon. friend the Secretary of State (Mr. Scott) and those of other able members of this House in reply to the hon. gentleman, and I confess it appeared to me that nothing could be more effective or convincing than those replies. As to his pamphlets, I do think that if the brilliant and withering speeches of Mr. Cartwright and Mr Mackenzie in the West did not satisfy him, the hon. gentleman must indeed be hard to please ; but had any vestige of him been left after passing through their hands it must certainly have disappeared under the scathing comments of the press. In my own humble way, I was prepared to say a word when the hon. gentleman made his first motion in the early part of this session ; but when it came on, the hon. gentleman so modified his tone, he was so mild of speech, so careful in making charges, so laudatory of the Premier and the Finance Minister and everybody else—the whole poison of the thing had so completely oozed out of it—that there was very little left to reply to. But spite of all this, here is the hon. gentleman again with all his fallacies and his oft-repeated charges fresh as ever. True, there is a change. Last session the hon. gentleman came to us in the garb of the righteous man grieved to the heart at the wickedness of the world around him ; now he comes to us as the avowed partizan, satisfied with nothing, distorting everything, and calling down fire to consume the men who govern the land. And I am free to confess that the hon. gentleman has special cause for this extreme indignation in 1878 that he did not possess in 1877. Not only have the retrenchments of 1875-6 been steadily continued in 1876-7 and large reductions of expenditure effected, but the revenue begins to take an upward turn, and the national balance-sheet is much less unsatisfactory than under all the circumstances was fairly to have been anticipated. It is so hard to have all one's prophecies and prognostications ruthlessly knocked on the head. Who can wonder that the hon. gentleman is cross, querulous, and wild in his statements ? He takes in one hand a list of the expenditures of 1875-6, and in the other a list of those of 1876-7 ; and he reads aloud the several items in each and compares them together. Does he come to an item in which the disbursements of the latter year exceed by a few dollars those of the former year, he exclaims, Oh, such wickedness ! Ruin and desolation ! Has he to confess a saving of say \$50,000 on the next item, at once he becomes philosophical. " Ah ! reductions are not always sound economy." " Penny wise and pound foolish." *He* " don't value such a reduction at much"—but " if he did, who is entitled to the credit of it ? Why, who but the hon. Senator himself—" I, said the sparrow, with my little arrow, I killed Cock Robin ! " Is a saving of half a million disclosed on a single item, he is horrified. What, half a million in one year ! scandalous ! disgraceful ! He cares not who does it, or how it is done, such a reduction is utterly unjustifiable ! In short, nothing will please the Hon. Senator, and I shall not try to please him ; but if the Senate will give me its attention for a brief space, I think

it will not be very difficult to show the utter groundlessness of the hon. gentleman's got-up case against the present Government. One great fallacy—shall I call it a fallacy or a wicked misrepresentation?—underlies all the financial calculations and accusations of the hon. gentleman. His entire fabric rests on the pretence that Sir John A. Macdonald's Government was responsible for the expenditure of the country only up to 30th June, 1873, and that the present Government are responsible from that date. But what are the facts? Why that Sir John Macdonald's Government was in office until November, 1873,—that in April, 1873, his Government proposed and carried the Supply Bill for the entire financial year commencing 1st July, 1873, and ending on 30th June, 1874—that the Mackenzie Government took office late in that year, and had no choice but to carry out the programme framed by their predecessors and adopted by Parliament; and that before the elections were over and Parliament could be called again, the financial year was near its close. The pretence that the present Government is responsible for the expenditure of 1873-4 is so preposterous and mendacious that it is amazing any sane person could be found to set it up for a moment. Why, then, is the hon. gentleman so daring as to do this, and to cling to it, and re-assert it, in defiance of common sense? Why, simply because the Legislative and Executive action in 1873-4 caused a complete revolution in the financial affairs of the Dominion. The Macdonald Government in that year capped the climax of its reckless administration, and the country has ever since been weighed down by the pressure of the enormous responsibilities it left as a legacy to its successors. The Macdonald Government was formed in 1867 and controlled the public finances until 30th June, 1874; let us see then how the annual public expenditures increased in their hands. They were :—

In 1867-8.....	\$13,486,092
In 1868-9.....	14,038,034
In 1869-70.....	14,315,509
In 1870-71.....	15,623,081
In 1871-2.....	17,589,468
In 1872-3.....	19,174,647 and
In 1873-4.....	23,316,316

It will thus be seen, that in the four years from 1867-8 to 1870-1 the annual expenditure rose two millions of dollars; that in the succeeding two years it rose three millions and a half more; but that in the next succeeding year—that of 1873-4, which the hon. Senator (Mr. Macpherson) so indecently seeks to fasten on the present Government—the annual expenditure went up at one jump the enormous additional sum of \$3,768,300. And to show clearly how this vast increase arose, and how entirely the late Government were responsible for it, I have taken from the Public Accounts, comparative lists of each item of expenditure in the years 1872-3 and 1873-4 respectively, and will now read them :—

	1872-3	1873-4	Incr.	Decr.
Interest	5,209,205	5,724,436	515,231	.....
Charges of management of debt....	172,981	238,003	65,022	.....
Sinking Fund.....	407,826	513,920	106,094	.....
Discount exchanged.....	5,763	26,680	21,017	.....
Subsidies to Provinces.....	2,921,399	3,752,757	831,358	.....
Civil Government.....	750,874	883,685	132,811	.....
Administration of Justice.....	398,966	459,037	60,071	.....
Police	49,813	56,387	6,574	.....
Penitentiaries	270,661	395,551	124,890	.....
Legislation	614,487	784,048	169,561	.....
Geological Survey.....	64,631	97,824	38,183	.....
Arts, Agriculture and Statistics... ..	10,690	19,091	8,401	.....
Census.....	57,766	39,470	.....	18,096
Emigration and quarantine.....	287,368	318,572	31,204	.....
Marine Hospitals.....	48,150	66,462	18,312	.....
Pensions.....	49,204	56,458	7,249	.....
Superannuation	53,026	64,442	11,416	.....
Militia	1,248,663	977,376	.....	271,287
Public Works	1,597,614	1,826,001	228,387	.....
Ocean and River Steam Service... ..	456,190	407,701	.....	48,489
Lighthouses.....	480,375	537,057	56,682	.....
Fisheries	97,878	76,247	.....	21,631
Steamer Inspection.....	13,266	10,292	.....	2,974
Insurance Inspection .....	.....	.....	.....	.....
Miscellaneous... ..	63,849	102,160	38,311	.....
Indian Grants.....	63,777	146,668	82,291	.....
Dominion Lands... ..	237,676	283,163	45,487	.....
Dominion Forces, Manitoba.....	147,368	209,169	61,801	.....
Mounted Police, N. W.....	.....	199,159	199,159	.....
N. W. Organization.....	.....	12,262	12,262	.....
Boundary Survey, U.S.....	.....	89,293	79,293	.....
Boundary Survey, Ontario.....	.....	2,430	2,430	.....
Military Stores.....	.....	144,906	144,006	.....
Customs refunds former years.....	.....	69,330	69,330	.....
Settlers' Relief, Manitoba.....	.....	.....	.....	.....
Customs	567,766	658,299	90,533	.....
Excise	171,705	206,935	35,230	.....
Weights & Measures.....	.....	.....	.....	.....
Inspection of Staples.....	.....	.....	.....	.....
Adulteration of food.....	.....	.....	.....	.....
Culling Timber.....	69,692	82,886	13,894	.....
Post-Office.....	1,067,866	1,387,270	319,404	.....
Public Works.....	1,495,185	2,889,679	893,494	.....
Minor Revenues.....	22,263	11,371	.....	10892
Total.....	\$19,174,647	23,316,316	4,141,669	373,369

I call the attention of the Senate to three facts that are established, by this comparison :—First, that out of the 39 items that constitute the entire expenditure of the year 1873-4, 33 of them were largely increased by the late Government beyond the sums paid for the same service the previous year ; second, that the increases on these thirty-three items came to \$4,141,219, and the decreases on the remaining six items of expenditure to \$373,369, showing the net increase of expenditure in that one year to have been \$3,768,300 ; and third, that the great mass of the increases were of such a character that they could not have been reduced by the incoming Administration. And as illus-

trative of the style of some of these large increases, let me recall to the attention of the House the enormous creations of new offices and additions to existing salaries that were made by Sir John A. Macdonald's Government in that year—just before they were ejected from office, and while already in the throes of dissolution. I hold in my hand the official return, and I find that under these scandalous circumstances no fewer than 629 new appointments were made in the Departmental offices alone, with salaries attached to them of \$322,943 per annum; and that additions were made in the same manner to the salaries of 1,381 employees in the same Departments, amounting to \$152,350 per annum. The annual burden involved in these 2,010 transactions amounted to the enormous sum of \$475,239 per annum, or the annual interest on more than ten millions of dollars! Here is the official return:—

Department.	Appoint- ments.		Increases.		Total.	
	No.	Amt.	No.	Amt.	No.	Amt.
Governor-General's Office	—	N.I.	3	350	3	350
Privy Council.....	1	700	6	820	7	1,520
Secretary of State.....	9	4,690	9	1,650	18	6,340
Public Works	28	21,546	171	19,074	199	40,620
Justice.....	75	77,800	11	1,760	86	79,560
Interior.....	19	14,070	25	5,010	44	19,080
Customs.....	111	58,076	636	67,185	747	125,262
Militia.....	6	5,600	18	2,677	24	3,277
Inland Revenue.....	84	30,515	96	16,550	180	47,065
Finance.....	17	15,400	24	2,650	41	18,050
Receiver-General.....	2	1,600	7	1,200	9	2,800
Agriculture.....	41	35,025	15	1,178	56	37,203
Marine and Fisheries.....	159	21,900	49	9,025	208	30,925
Post Office.....	77	36,020	311	22,220	388	58,240
Totals.....	629	322,943	1381	152,350	2010	475,293

Every one of these new appointments and increases of salary were the work of the Macdonald Administration—but in order to throw the odium of these acts on their successors, the hon. gentleman audaciously represents them as responsible for all financial transactions after the 1st of July, 1873, instead of the true date, 1st July, 1874. And as with the annual public expenditures, so also as to the public debt—has the hon. gentleman resorted to the same disingenuous contrivance. When the Macdonald Ministry assumed office in 1867, the public liabilities of the Dominion amounted to \$93,046,051, less assets \$17,317,410—or a nett Public Debt of \$75,728,641. The following figures show how the debt increased in their hands:

	Gross Debt.	Assets.	Nett Debt.
July, 1867.....	\$93,046,051	\$17,317,410	\$75,728,641
July, 1868.....	96,896,666	21,139,531	75,757,135
July, 1869.....	112,361,998	36,502,679	75,859,319
July, 1870.....	115,993,706	38,783,964	78,209,742
July, 1871.....	115,492,682	37,786,165	77,706,517
July, 1872.....	122,400,179	40,013,107	82,187,072
July, 1873.....	130,778,098	30,929,636	99,848,462
July, 1874.....	141,163,551	32,838,586	108,324,965

It will be seen from these figures that, in the first five years of the Macdonald Ministry's existence, the nett Debt increased \$2,000,000 ; but that in the sixth year it rose \$4,500,000 beyond what it had ever been before ; that in the seventh year it rose no less than \$17,700,000 beyond the high point of the previous year ; and that in 1873-4—for which the hon. gentleman pretends to hold the present Ministry responsible—it rose \$8,500,000 still higher than the swollen figures of 1872-3. "Behold," exclaims the hon. gentleman, "what the public debt and the annual expenditure were in July, 1873, when the Macdonald Government resigned—and now see what the present men have brought them to, in July, 1876!"—thereby placing on the shoulders of the present Ministry \$8,500,000 of increased debt and \$3,768,300 of annual expenditure for which they were in no manner responsible. But the hon. gentleman had a still stronger reason than even these I have named for manipulating the record. Here is a list of engagements the new Ministry found awaiting them when they came into power :—

Canals	\$43,800,000
Intercolonial Railway .. .	10,000,000
Pacific Railway .. .	30,000,000
N. S. and N. B. Railways .. .	2,000,000
P. E. I. Railway.....	2,500,000
Minor works.	4,500,000
Improvements, St. Lawrence .. .	2,500,000
Advances	1,000,000
	\$96,000,000

In addition to these enormous undertakings, the new Ministry found \$35,000,000 of Public Debentures maturing immediately, for which no provision whatever had been made by their predecessors. And yet, with the perfect knowledge that these vast expenditures were forced on the new Government by his own friends ; that they could not escape from executing a large portion of the works begun ; and that the public debt and annual expenditure must consequently be greatly increased thereby ; the hon. gentleman ventures to speak of that increase as a heinous crime on the part of the present Government and denounces them for it. I say then, that the whole of the hon. gentleman's calculations and accusations rest on groundless pretensions ; and that his entire structure falls to pieces when placed on a just basis.

Having thus established the true position of affairs at the time the present Ministry took office, I now proceed to show the results of their administration in the three years of their reign for which we have returns. And first as to the Public Debt. On 1st July last

the nett debt was.....	\$133,208,699
On 1st July, 1874, it was .. .	108,324,969
Total increase.....	\$ 24,883,735

Now, the question at once arises, how this great increase occurred ? Well, I hold in my hand an official return that solves that question

very distinctly. It shows that in these very three years there was expended on public works *for which votes had been taken by the Macdonald Government in the estimates of 1873*—the sum of \$24,361,920, or within half a million of dollars of the entire amount. Here are the items :

CHARGEABLE TO CAPITAL.

St. Lawrence Canals.....	\$2,133,761
Welland Canal.....	4,816,560
Ottawa Works.....	1,207,645
Baie Verte Canal.....	576
Public Buildings, Ottawa.....	716,156
Nova Scotia and N. B. Railways.....	1,204,263
Intercolonial Railway.....	5,248,509
Pacific Railway.....	6,583,958
Prince Edward I. Railway.....	288,632

IMPROVEMENT OF RIVERS.

St. John, N. B.....	13,866
Red River, Manitoba.....	200
St. Lawrence, chains and anchors.....	49,008
Fraser River, B. C.....	7,360
Richelieu River.....	29,234
Red River Route.....	292,076

PUBLIC BUILDINGS.

London Immigration Station.....	1,989
Hamilton Post-Office.....	7,935
Toronto Customs House.....	138,990
do Savings Bank.....	.....
do Inland Revenue Office.....	17,889
do Examining Warehouse.....	223,338
do Post office.....	5,933
Quebec do.....	5,339
Ottawa Post-office.....	160,218
Grosse Isle Quarantine Station.....	16,029
Three River Custom House.....	7,981
Montreal Post-office.....	212,460
St. John, N.B., Post-office.....	109,884
Pictou Custom House.....	24,780
Manitoba do.....	72,654
do Penitentiary.....	136,140
British Columbia Public Buildings.....	166,963

HARBOURS AND PIERS.

Collingwood.....	267
Meaford.....	8,502
Inverhuron.....	5,093
Kincardine.....	18,857
Port Albert.....	6,000
Goderich.....	252,886
Port Stanley.....	8,153
Cobourg.....	47,325
Presqu'île.....	10,292

HARBOURS AND PIERS—*Continued.*

Kingston	\$10,647
Toronto	20,919
Owen Sound.....	9,240
Bayfield.....	41,516
Chantry Island.....	138,981
Rondeau.....	30,965
Shannonville.....	2,992
Saguenay	6,065
Baie St. Paul.....	15,085
Bathurst, N.B.....	3,876
Richibucto.....	28,411
Dipper.....	12,239
St. John.....	141,369
Petitcodiac	1,194
Hillsboro'	1,500
Macraie's Cove.....	5,004
Tracadie.....	7,564
Liverpool.....	26,831
Mabou	12,176
Yarmouth.....	1,000
Oak Point.....	20,042
Ingonish.....	78,668
Ports George and William..	5,000
Cow Bay.....	80,115
Salmon River and Plympton Harbour.	1,200
Big Pond.....	500
Maitland.....	1,061
Total.....	\$24,361,921

So then, if the Public Debt was largely increased in the three years of the present *régime*, it was solely in consequence of contracts for Public Works left to them as a legacy by their predecessors ; and it is not surely from the lips of the friends and eulogists of those predecessors that reproach for it should come. So much for the Public Debt ; and now let us see how it has been with the Annual Expenditures during the same three years. I hold in my hand a comparative statement of the several items of expenditure in the year 1873-4, (the last year of the late Ministry) and in the year 1876-7, (the last year of the present Ministry of which we have Returns) and very far from finding just cause of denunciation of the men now in power in the facts it discloses, I find only ground of rejoicing that they have held the reins with so tight a hand, and were able to restrict the expenditures within so reasonable a compass. In spite of a constantly increasing population, the opening up of new territories, the extension of civilized government into many remote districts, the admission of Prince Edward's Island into the Confederation, immense public works going on from the Atlantic to the Pacific, all entailing large additional annual burdens, and many heavy incidental expenses besides that were not borne by their predecessors, this Return shows that large reductions were effected on the ordinary annual expenditures as contrasted with those of their opponents in the year they were driven from office. Here is the statement :—

	1873-4.	1876-7.	Inc.	Dec.
Interest	\$5,724,436	6,797,227	1,072,791	.....
Charges on debt	238,003	172,454	.....	54,459
Sinking fund	573,920	828,373	314,453	.....
Discount	26,680	24,331	.....	2,349
Subsidies	3,752,757	3,655,850	.....	96,907
Civil Government	883,685	812,193	.....	71,492
Adm. of Justice.....	459,037	565,597	106,560	.....
Police	56,387	11,365	.....	45,022
Penitentiaries.....	395,551	303,168	.....	92,383
Legislation	784,048	596,006	.....	188,042
Geological	97,814	95,558	.....	2,256
Arts, Ag. and Stat	19,091	65,767	46,676	.....
Census	39,470	7,546	.....	31,924
Emig. and Quar	318,572	353,951	35,379	.....
Marine Hospitals	66,462	62,408	.....	4,054
Pensions	56,453	112,531	56,078	.....
Superannuations	64,442	104,826	40,384	.....
Militia	977,376	550,451	.....	426,925
Public Works	1,826,001	1,262,823	.....	563,178
Ocean and River Steam Service	407,701	462,335	54,634	.....
Lighthouses.....	537,057	471,278	.....	65,779
Fisheries	76,247	96,348	20,101	.....
Steamer Inspection	10,292	13,073	2,781	.....
Ins. Inspection .....	.....	7,512	7,512	.....
Miscellaneous	102,160	105,507	3,347	.....
Indian Grants.....	146,068	301,596	155,528	.....
Dominion Lands.....	283,163	90,521	.....	192,642
Dominion Forces Manitoba	209,169	29,969	.....	179,200
Mounted Police, N. W.....	199,159	352,779	153,500	.....
N. W. Organization	12,262	.....	.....	12,262
Boundary Survey, U.S.....	79,293	.....	.....	79,293
Do. Ontario	2,430	.....	.....	2,430
Military stores	144,906	.....	.....	144,906
Cus. refunds	69,330	.....	.....	69,330
Settlers Relief, Manitoba .....	.....	.....	.....	.....
Customs	658,299	721,604	63,305	.....
Excise	206,935	211,157	5,778	.....
Weights and Measures .....	.....	111,085	111,085	.....
Inspection of Staples .....	.....	648	648	.....
Adulteration of food .....	.....	4,903	4,903	.....
Culling Timber	82,886	68,171	.....	14,715
Post-office	1,387,270	1,705,311	318,041	.....
Public Works.....	2,389,679	2,351,832	.....	38,847
Minor Revenues	11,371	20,181	8,810	.....
	\$23,316,316	\$23,519,301	.....	.....

It thus appears that the entire expenditures of the Dominion were—

In the year 1876-7.....	\$23,519,301
And in 1873-4	23,316,316

Increase in three years..... \$202,975

But this increase was merely nominal. There was in fact a large reduction on the controllable expenditure of 1876-7 in comparison with that of 1873-4. During the intervening three years money had to be

borrowed to pay for the vast obligations undertaken by the late Government, and interest on the money so borrowed accrued in the year 1876-7 to the amount of \$1,072,791 in excess of what had to be paid for interest in 1873-4. In 1876-7, too, the sum of \$828,373 had to be paid into the sinking fund for the extinction of the public debt, while in 1873-4 the sum payable into that fund was but \$573,920, creating a compulsory increase of the expenditure of 1876-7 over that of 1873-4 of \$314,453. Then, again, in 1876-7 the sum of \$301,596 had to be paid towards the extinction of Indian titles in the North-west, or \$155,528 in excess of the charge for that service in 1873-4. These and other similar charges, which had to be paid ; which could not be cut down ; which were not the act of the present Ministry ; created a charge of over \$2,000,000 in 1876-7 that did not exist in 1873-4. The present Ministry retrenched so severely in 1876-7 on the charges within their control, that notwithstanding these great additions to the expenditures beyond their control, the total charges of the year were kept within \$202,985 of what they stood at in 1873-4. I repeat then my conviction that the people of Canada have sincere cause of thankfulness that men are at the helm in these difficult times, who have courage and strength to hold it with so firm a grasp. But Mr. Macpherson is not satisfied with this reduction of nearly two millions of dollars. He growls still—and he attempts to make some special points of objection which, with the leave of the House, I now propose to examine *seriatim*. The first objection he makes I have already noticed incidentally, namely, that the Public Accounts of 1876-77 were not correctly made up—that he has strong suspicion that accounts were kept back in order to force a more favourable balance than the truth would warrant. Now, I repeat that it was utterly unjustifiable on the part of the hon. gentleman to send abroad such an insinuation unless he was prepared to formulate his charge so that it could be met promptly and decisively ; and I call upon the hon. gentleman to rise now and state clearly what his charge is, what are the facts, who are the criminals, and move for a Committee of Inquiry into the truth of his insinuations. (Loud cries of “Hear, hear!”) Does the hon. gentleman understand the gravity of his charge ? Does he estimate the effect on the credit of the country of a public statement by a member of this Chamber that the Public Accounts have been falsified ? Will it be known abroad, as is well known in every corner of Canada, that the men who compose the present Government are utterly incapable of such a deed, and that the thing, come from whom it may, is a foul and groundless slander ?

MR. MACPHERSON—I told the House what I had heard, and heard repeated so frequently that I had strong reason to believe it. I said it was not in the power of a Committee sitting in Ottawa to get at the facts, so systematically and so persistently was the thing done.

MR. BROWN—Well, then, I repeat that for an hon. gentleman of the experience and position of the hon. member to make such a statement here without being prepared to prove it, is entirely unwarrantable.

MR. MACPHERSON—It is the North-west accounts I refer to.

MR. BROWN—I do not care what accounts the hon. gentleman refers to. Let him tell us whose accounts they were, and who it was that systematically kept them back, and what he is prepared to prove

before a Committee. I appeal to hon. members on both sides of the House if it was right to throw broadcast an imputation of this nature without being able to substantiate it. For myself I do not believe one word of it. The hon. gentleman objects to the expenditure for Mounted Police in the North-west. When he did so it was said across the floor "Your friends did it." "Oh yes," replied the hon. Senator, "they passed the Act, but they did not put it in force." He is mistaken; I hold in my hand a copy of the Order in Council signed by Sir John A. Macdonald, and it sets out every detail of the Force, the number of men, salaries, and so forth, precisely as now in operation.

MR. MACPHERSON—Was the proclamation issued by the late Government?

MR. BROWN—The Order in Council was passed by them.

MR. SCOTT—The Mounted Police Force was brought into existence by an Act passed in 1873.

MR. MACPHERSON—My statement was with regard to the weights and measures. I said the Mounted Police had been organized by the late Government.

MR. BROWN—Ah, then this objection is wholly withdrawn from the budget of complaints. Next comes the item of weights and measures, \$111,085, and at this the hon. gentleman holds up his hands in indignation. He was reminded that his own friends were the authors of that measure—and he admitted that they passed the Act; but claimed that they did not put it into operation. But this is a mistake—for they not only were the authors of the measure, but the Department had begun their preparations for putting it in force before they left office. The hon. gentleman says it was a bad Act—and I am free to admit that as originally framed it was harsh and unpopular; but it has been greatly improved for the better by the Amendment Act of the present Administration, and I am told that the objections to it are now greatly modified. The advantage of securing a uniform system of weights and measures over the Dominion, and of diminishing if not preventing fraud by false balances, can hardly, I think, be over-rated—and if this can be secured by the expenditure of a moderate sum it will be an inestimable advantage. The hon. gentleman complains, however, that so large a sum as \$111,085 should have been spent, and he says the late Government never expected it to cost over \$50,000 a year. Well, it did not cost more than that in 1876-77. The hon. gentleman omitted to state that the sum named included the entire cost of gas inspection as well as of weights and measures; and that over \$50,000 of fees were received last year.

MR. MACPHERSON—I stated that.

MR. BROWN—Well, that left the entire cost of the measure just what was anticipated by its authors. The hon. gentleman was a member of this House when the Bill passed. His friends were completely supreme in both Houses then. Did he object to its passage?

MR. MACPHERSON—I did not.

MR. BROWN—Why then does the hon. gentleman complain so fiercely against that which he himself and his own friends did? Is it because their successors did not at once cast it overboard without trial or attempt to amend its imperfections?

Mr. MACPHERSON—The question is, What Government put it into operation ?

Mr. BROWN—I apprehend it was Mr. Brunel who put it into operation. The hon. gentleman's next objection is to the item of \$4,903 for the prevention of adulteration of food. He says he cannot see the use of it ; but I fancy that no one who takes the trouble of reading the report of the Commission will agree with him. The public benefit that has already risen from it is very great. Some of the exposures made by the examinations of the Commissioners have been most salutary. The next objection the hon. Senator makes is with regard to the Public Works Department ; and what does he say as to that ? Why, he is obliged to admit a large reduction, but he says, " as far as he can see, after looking through it, the whole of the reduction is in manual labor. The salaries are not in the least altered ; the reduction is all on wages." And how else could it be ? The hon. Senator knows well that in carrying on great national works a regular staff of skilled men must be always retained, and that when the lack of work or lack of revenue compels reductions the effect must fall first on the supernumeraries. It is easy to fill an order for labourers, but you cannot easily get up an efficient staff of skilled overseers and foremen. Does the hon. gentleman attempt to point out any member of the staff who could or ought to have been dispensed with ? Nothing of the kind. Had he done so some weight might have attached to his indignation. But when he brings a mere vague railing such as this, it looks more like an anxious desire to hunt up an electioneering cry than anything else. The hon. gentleman then passed on to the item of Contingencies—and I wondered what he would say about it ; for I had analyzed this item for six years past—three of them under the reign of the late Ministry and three under the present—and I found that in the old reign the amount ran rapidly up every year, and in the present reign it ran as rapidly down. Here are the figures :

Tory Reign.....	1871-2	\$153,293
“	1872-3	189,174
“	1873-4	222,803
Reform Reign.....	1874-5	208,707
“	1875-6	172,548
“	1876-7	151,479

Well, what said the hon. gentleman as to this item ? He said that there was here a " gratifying reduction"—but " he hoped there were no postponements in this case"—that is, that payments had not been systematically left out, and the accounts thereby cooked ! And this though the hon. gentleman cannot name a single instance in which any account however small, was ever postponed by the present Government.

Mr. MACPHERSON—Not likely !

Mr. BROWN—" Not likely" !—why, then, do you permit yourself to make insinuations that you cannot sustain, and that you cannot believe yourself ? Then comes the Administration of Justice—and here the hon. gentleman fires up fiercely at the increase of \$106,560 on that item. The increase at this moment is undoubtedly to be regretted ; but the hon. gentleman knows perfectly well it arose, first, from the establishment of the new Court of Appeal in Ontario, over which the

Dominion Government had under the Act of Confederation no control; and second, from the establishment of the Supreme Court of the Dominion, which was anticipated at the Union, which was urgently wanted to give uniformity to the jurisprudence of the whole Dominion and had been too long deferred. We all recollect how often the late Government promised this measure to the country, and as often postponed it from sheer want of firmness to deal with it. By every Government, by every prominent politician, and by every leading jurist the absolute necessity for a Supreme Dominion Court has been admitted, and I am amazed that the hon. gentleman ventures to condemn it. The hon. gentleman's next complaint is as to the increased expense of the Customs Department. It amounts to \$63,305 in comparison with 1873-4, and that any increase should have been necessary is undoubtedly to be regretted. But it must be remembered that Prince Edward Island in the three years' interval has joined the Union, and that her Customs establishment had to be added to the annual cost of the Department. Great changes, too, have occurred on the Upper Lakes and throughout the North-west and the Pacific coast, rendering needful efficient arrangements for protecting the Customs revenue. Then, too, it must be kept in mind that we have had for some time past very severe times, and that during such periods extreme vigilance is demanded from the Customs Department, smuggling showing itself at such times in its most daring attitudes. The enormous shrinkage in the values of goods, too, must have demanded constant watchfulness at every port to prevent the under-valuation of importations—and that could not be done without extra expense. Hon. gentlemen opposite have had much to say of late about Canada being made a slaughter market for foreign goods; but what would they not have said had those "slaughter-goods" been permitted to be brought into the country without the closest inspection by efficient officers?

MR. MACPHERSON—What of the Montreal Custom House? Will the hon. gentleman say nothing about the decline of revenue and the increase of expenditure there?

MR. BROWN—I am glad the hon. gentleman reminds me of that. What one place loses another place gains; and I notice that though the revenue at Montreal went down, at Toronto it went up. I cannot pretend to judge as to the exact strength of staff necessary to be maintained at Montreal—but probably the customs authorities anticipate an early recovery from the severe commercial depression that has unhappily existed at that point—and with that a corresponding recovery of Customs revenue. It was of the Montreal Customs House, I think, that the hon. gentleman ventured to speak as a "sink of corruption." He said that the Customs Department of the United States was rotten to the core, but it was not worse than we had here.

MR. MACPHERSON—I spoke of the New York and Boston Custom Houses. These are the only Custom Houses in the United States I know anything about.

MR. BROWN—But be that as it may, it was utterly unwarrantable of the hon. gentleman to apply such words as he did to the Montreal Custom House as now administered, or to any other public department of Canada. It was as totally unwarranted as the insinuation of the hon. gentleman in regard to keeping back accounts to affect the annual

balance, which he must have known was a direct impeachment of the integrity of the Auditor General.

MR. CAMPBELL—I think it was not with respect to keeping back of accounts by the Government ; it was with reference to accounts in the North-west—certain purveyors who had spent large sums of money, and of whom the hon. Senator had heard they had kept back their accounts. It is not the accounts the Auditor had anything to do with.

MR. BROWN—The hon. gentleman must not attempt to put that colour on the charge now. It is too late.

MR. MACPHERSON—I stated it at the time ; I did not dream of anything else.

MR. BROWN—The hon. gentleman spoke of North-west accounts, after I had repeatedly urged him to explain—but his charge was direct and unmistakable, and repeated more than once.

MR. CAMPBELL—The charge was not with reference to cooking the Public Accounts ; it was with reference to the transactions of certain officers in the North-west.

MR. BROWN—I perfectly understood the hon. gentleman latterly to refer to accounts in the North-west ; but his original charge, and the one he insinuated more than once, was that accounts were kept back at the end of the year to reduce the deficit which honest book-keeping would have shown.

MR. MACPHERSON—I did not intend to reflect on the Auditor-General.

MR. BROWN—Whatever you meant, you certainly did reflect on all connected with making up the Public Accounts, and you are bound now to say what accounts have been kept back. The hon. gentleman has no right to make sweeping accusations against the Government and evade the distinct specification of what his charge is. But enough of this for the present. Let us pass on to the hon. gentleman's indictment of the Emigration Department. And here he has not only fallen into the most palpable errors, but the calculations and conclusions he has sent abroad in his pamphlets as well as in his speeches are utterly wrong and mischievous. For example, he selects three years as his basis—1872-3, 1874-5, and 1875-6—and he states the entire expenditure in these years to have been as follows :—

In 1872-3.....	\$277,368
In 1874-5.....	302,770
In 1875-6.....	385,845

Now, why did the hon. gentleman state the cost in 1872-3 to have been \$277,368, when the public returns show the actual sum to have been \$287,368 ?—and why did he omit altogether the year 1873-4, when they were \$318,572 ? His friends were in office these years—surely that could not afford an explanation of it ? And why did the hon. gentleman omit to tell that these were but the gross disbursements of the Department—that in every one of these years there were large sums received back that ought to have been deducted ? Why did he omit to tell of the Quarantine deductions, the repayments by the Provinces, and the repayments on the Icelandic and Mennonite advances ? And

why did he ignore entirely the emigrants arriving by Suspension Bridge, Portland, and Pembina, and at Halifax and St. John—and coolly assume that no emigrants came to Canada except those by Quebec?

MR. MACPHERSON—I stated that I referred to the emigrants by the St. Lawrence.

MR. BROWN—Yes, the hon. gentleman dropped that incidentally at the end of his argument—but why did he conceal the fact that while he assumed the immigration of 1872-3 to have been 36,901, his friends, who were then in office, returned it as 50,050, of which 25,920 came by the St. Lawrence? Why did he state that the immigrants of 1874-5 were but 16,038, when the official return of the Department shows 27-382 to have arrived, of which 12,043 came by the St. Lawrence? What right had he to state that the immigrants of 1875-6 were only 10,901, when the official returns show that 25,633 arrived in the Dominion, of which 7,063 came by the St. Lawrence? The hon. gentleman may possibly know more about the matter than anyone else—but why did he omit to tell that his figures were in entire opposition to the official record, and that they assumed a wholesale falsification of the emigration returns by the officers of the Government? And could anything more reprehensible be imagined than for the hon. gentleman, having thus settled his figures for himself, to ignore all deductions and proceed to average the whole gross cost of immigration on his own assumed numbers, and send that abroad over the land as the cost *per capita* of each immigrant? The result of this manipulation by the hon. gentleman will be seen by the following contrasts of the hon. gentleman's statements and the Official Returns of the Department. And first as to the annual nett expenditure for emigration:—

	<i>Mr. Macpherson.</i>	<i>Official Return.</i>
1872-3.....	\$277,368.....	\$296,617
1874-5.....	302,770.....	241,600
1875-6.....	385,847.....	228,077
1876-7.....	.....	110,670

And now as to the cost *per capita*:—

	<i>Mr. Macpherson.</i>	<i>Official Return</i>
1872-3.....	\$ 7 76.....	\$5 90
1874-5.....	18 00.....	8 82
1875-6.....	26 05.....	8 85
1876-7.....	.....	4 08

MR. MACPHERSON—My statement was strictly correct. The hon. gentleman is reading from the figures handed to him by the hon. Minister of Agriculture yesterday, which are entirely opposed to the Public Accounts. My statements are in strict conformity with the Public Accounts. The hon. Minister of Agriculture said yesterday my figures were incorrect; that my figures included quarantine. That was incorrect. He said I did not deduct refunds from the Provinces; that also is incorrect. They are in the Public Accounts.

MR. PELLETIER—But not in your statement.

MR. BROWN—The hon. gentleman incurred a serious responsibility

in sending such inaccurate statements abroad, and making charges against the Government utterly inconsistent with the facts. The first thing we shall have coming to us across the Atlantic will be a newspaper announcement that we pay \$26 65 for every emigrant we get from the Mother Country. The next subject of attack is the militia expenditure, which shows a reduction of \$426,925 from the year 1873-74. The hon. gentleman says it is quite impossible that such a reduction can be right. The change as I understand it, is simply this: that heretofore 40,000 militia were drilled every year; but by this curtailment it is proposed, while the present financial stringency exists, that the 40,000 militiamen shall be divided into two bodies, and one-half drilled yearly in alternate order. We all, I am sure, earnestly desire that the militia force of the Dominion shall be maintained in full efficiency; but in such times as the present how can this temporary modification of the practice be made just subject of indignant complaint, especially from the mouths of such ardent economists as the hon. gentlemen opposite? The next item in the hon. senator's bill of complaint was the reduction of \$192,642 on Manitoba land surveys. "What reduction," the hon. gentleman exclaims, "is there in that? You have reduced the surveys by that amount—is that economy? You will stop them next year altogether—will that, too, be a saving? And if any one is entitled to credit, to whom should it go but to those that drove the Government to it?" Ah, it is so hard to please the hon. gentleman! If you don't retrench he abuses you, and if you do retrench he is worse than ever. The next item is one about which the hon. gentleman raised a terrible hullabaloo—the item of Departmental Telegraphing. He read from the Public Accounts the statement that the cost of this service in 1873-4 (the last of the Macdonald Government) was but \$20,925, while in the first year of the present Government it was \$38,507. And how excited the honourable gentleman did become about it, to be sure! Well, this did appear to me a very large sum, and so I dropped into the Finance Department and asked an explanation of it from one of the officers of the Department. He went at once and looked into the matter, and I am sure the hon. gentleman will be relieved and delighted when he hears that in 1873-4 there were only three-fourths of the year's telegraphing included, and that in 1874-5 there were five quarters charged. (Loud cries of hear, hear.) It so happened that the quarterly bill of the Telegraph Company was delayed so long that the Government accounts for the year were closed before it could be certified, and it had, of course, to go to the next year's accounts. The effect of this correction of the hon. gentleman's figures entirely changes the aspect of the telegraphic complaint, and I call the hon. gentleman's attention to the great economy effected by the present Ministry on the lavish disbursements of his own friends. The contrast now stands as follows:

1873-4.....	\$32,107
1874-5.....	19,326
1875-6.....	19,421
1876-7.....	15,255

There is another charge that the hon. gentleman preferred against the Administration, and it is the last left for consideration. I refer to the transaction known as the Intercolonial Suspense Account—and a very

simple matter it seems to be when clearly explained. The 50,000 tons of steel rails bought for the Pacific Railway, as we all know, were not all wanted for that road at once, and it was put to capital account. The money was paid, and of course went at once into the Public Accounts. So far as the cash is concerned, no wrong is alleged. The statement of the hon. Senator does not affect the money in the least, or the accuracy of the Public Accounts; only, he alleges, it affects the balance of last year of Revenue and Expenditure. An account was opened in the ledger for this iron, and it was stored at certain places. As fast as portions of it were applied to any service, the value was deducted from the capital account and charged to the special service to which the iron went. In regard to the Intercolonial Railway it was determined—and I fancy we will all admit wisely determined—as soon as possible to take up the iron rails and put steel rails down. We all know the saving effected by substituting steel rails for iron ones—and it was determined by the present Administration from the very moment they came in, that the Intercolonial Railway should be re-steeled, not all at once, but that in the places most worn the track should be renewed to the extent of \$200,000 every year. That went on. In the year ending 30th June, 1873, the re-laying was carried out to the value of \$80,522—and this amount was duly credited to the Pacific Railway iron account and charged to the Intercolonial Railway. In 1874 \$216,538 of steel rails were thus obtained and re-laid on the Intercolonial track; in 1875, \$292,382; and in 1876, \$215,289. In 1877, as I understand it, it was supposed desirable that there should be a larger quantity used than had been done before. It was thought very desirable that some parts of the road should be relaid at once; and the question came up, should they adhere to the system of charging the Intercolonial at the rate of \$200,000 a year, or charge the whole \$543,000 of iron that was wanted in one year against the road. The former course was decided upon. Now, this decision of the Department may have been right, or it may have been wrong; that is certainly a matter of opinion; for my own part I think it was the reasonable course to take. When the Intercolonial Railway accounts are published abroad it is not desirable that the cost of maintaining it should appear any more unfavourable than the facts justly demand. It is well known that the Great Western Railway Co. charge three guineas per ton to capital account for every steel rail they put upon the track. We know, too, the Grand Trunk Company charge the whole of the steel re-laying to capital account; and there is an Act of this Legislature declaring that this shall be so. That Act was passed by the House of Commons and by this House—and the hon. gentleman himself voted for it.

MR. MACPHERSON—Does that Act apply to the Intercolonial Railway?

MR. BROWN—No—of course not—but I am showing that what was done as to the Intercolonial was a reasonable thing to do. This side of the House, in discussions that have taken place on this question, differed from the late Government, who agreed with the Grand Trunk Railway, and held that the re-laying of steel rails on Government roads should be charged to capital account. This side of the House did not hold that; and what has been done on the Intercolonial was a mere compromise between the two plans. Had the system been carried out on the Intercolonial as contended for by hon. gentlemen

opposite, then the Government would not have found it necessary to charge this at all ; it would have gone to capital account. But what they did was this : they took \$543,000 worth of rails from capital account, charged \$200,000 of it—the reasonable proportion which they had been in the habit of charging yearly—direct to the Intercolonial Railway, and put the balance honestly and squarely in the Public Accounts as an Intercolonial Railway suspense account—to be wiped out this year and next year.

MR. MACPHERSON—Did they not use the whole quantity last year ?

MR. BROWN—I did not ask that question. I do not know.

MR. MACPHERSON—Is it done in accordance with the resolution of the Government to charge everything as expenditure on revenue ?

MR. BROWN—The hon. gentleman is fighting a shadow. What difference does that make ?

MR. MACPHERSON—It is evident that \$543,000 worth of rails have been used in renewals, which according to the resolution of the Government really should have been charged to revenue. Instead of that, only \$200,000 is charged, and the balance is put as a blind in a suspense account.

MR. BROWN—The hon. gentleman should not use that word “blind.” It was perfectly straightforward, and was fully explained in the Public Accounts Committee. I admit the hon. gentleman may hold the opinion that the rails having been handed over to the Intercolonial officers, the full amount should have been entered against that Company. But the Intercolonial Railway belongs to the people of Canada—the rails are there—the transfer does not affect the security—the rails are as much at capital account as they ever were—and there is not one single shilling less to-day to meet the public debt than there was before the rails were transferred from one locality to another. Will anyone say that it makes the slightest difference to the country whether those rails lie in a heap at capital account or lie in the track of a Government railway at an Intercolonial suspense account ? Had any “blind” been intended, why open a suspense account at all ? Why not have left the capital account as it was, and have credited it merely with the usual annual proportion of \$200,000 ?

Honourable gentlemen, I have now gone through the entire charges and objections of the hon. Senator (Mr. Macpherson) ; and I put it to every hon. member of this House whether there is one single item in the whole of the hon. gentleman’s indictment for which the slightest moral reproach can be cast upon the gentlemen on the Treasury benches. Will any hon. gentleman say that one instance has been shown of culpable neglect on the part of the Government ? Can any hon. gentleman say that the slightest proof has been given of even thoughtless waste on the part of the Government ? Nothing of the kind has been shown. Honourable gentlemen, the men who govern this Confederation—be of what politics they may—have no light burden on their shoulders. We are eight separate Colonies, brought suddenly together ;

we have a vast extent of country, stretching from ocean to ocean ; we are of different races, we speak different languages, we have different forms of religious faith ; and we are all in the early stages of material and social development. Our representatives in Parliament come up from all sections of our wide domain eager to do well for their special constituencies, and too apt to forget the interests of the whole. The urgent solicitations for concessions—reasonable concessions if the public chest were exhaustless—that are constantly coming up from all directions to the Ministry of the day, are without end ; and the men who have the firmness and the ability and the tact to promote right, resist wrong, and seek to mould the discordant elements into a harmonious whole, deserve and ought to receive the cordial sympathy and support of every member of this Chamber. It is utterly impossible that the wit of man could avoid errors in the administration of affairs so vast and multifarious, but I confess I have risen from an earnest and thorough examination of the public affairs and accounts of the Dominion with high gratification at the ability, the uprightness, the economy, and the marked success with which my hon. friend and his colleagues now governing the country have fulfilled their difficult task since they assumed office. “ Ah, but,” exclaims the hon. gentleman “ there is a deficit ! ” Yes, there is a deficit—unfortunately there is a deficit. But it is because the right men are in the right place that that deficit is not infinitely greater. It is because men of ability and sagacity are at the helm that, in spite of two consecutive deficits, every obligation of the country has been met to the hour,—the credit of the country was never before so high in the money markets of the world,—and the Canadian people have unshaken confidence that the revenue and expenditure will be speedily equalized without undue pressure on the industry and commerce of the country. When the leaders of the Liberal party warned you [turning to the Conservative leaders across the floor] in 1873 of the coming financial storm, you scorned their advice and went on committing the country to enormous obligations. When you were driven from power for your corruption and incapacity, and they asked in 1874 for increased supplies to meet that coming storm—you treated their demand with derision, you denied its necessity and opposed it at every turn. When Mr. Cartwright negotiated his first famous loan in London—that stands unequalled as a financial success in the history of this or any other colony, that raised the credit of Canada higher than ever it stood before, and that carried the country safely through the enormous difficulties you had created—you decried the great public service he achieved, and maligned the negotiator. And when the Finance Minister struck the happy time—not one moment too soon—achieved his second successful loan, and carried the ship of

state safely into harbour—again you maligned the man and vilified his good work ! And now, when the storm has well-nigh passed, when the clouds begin to break, when the commercial barometer begins to rise, when brighter and better days are near at hand—you !—you who caused all the trouble—glory that the revenue is reduced, glory that there is a deficit, and call on my hon. friend to rise on the instant and tell you, forsooth, how the Government mean to equalize the balance-sheet ! With commercial and industrial depression all over the world ; financial embarrassment everywhere ; immense shrinkage in the value of all property, real and personal ; two bad crops within the three years ; stern economy forced on the masses of every land ; an open winter to add to the embarrassment ; you, in the face of all, pretend astonishment that there is a deficit ! You cannot cloak your smothered delight that there is a deficit ! Well, what, after all, does this fearful thing amount to ? Why, in the three years the present Ministry have been in power the total expenditure amounted to—

	\$71,720,744
And the revenues to.....	69,295,576
Total deficit in three years.....	\$ 2,425,168

But let it not be forgotten that in these same years there was paid from the revenues of the country into the Sinking Fund for the extinction of the National Debt, no less a sum than \$2,207,099—or within two hundred thousand dollars of the entire deficit. The deficit, in fact, was caused by reduction of the Public Debt. Is that a balance-sheet in such times as the present to alarm any one ? Far from it. One step up the ladder of returning prosperity would put a totally new aspect on the picture—and good cause have the people of Canada to rejoice that the men they have now presiding over their affairs, come storm or come calm, will be found equal to the occasion.

